

**THE INFLUENCE OF WORK ENVIRONMENT ON BANK EMPLOYEES'  
PERFORMANCE: A CASE OF COMMERCIAL BANKS IN MACHAKOS  
TOWN**

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## **DECLARATION**

I hereby declare that this project is my original work and has not been presented for a Degree in any other university.

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This project has been submitted for examination with our approval as the university Supervisors

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## **ABSTRACT**

Working environment is one of the essential human requirements that enable people to perform their work effectively under defined conditions. It is the quality of the employee's workplace environment that has most influence on the level of employee's motivation and subsequent performance. This study sought to understand the influence of work environment on bank employees' performance. The main objective of this study was to assess the influence of work environment on employee performance in 8 (eight) commercial banks operating in Machakos town. The research concentrated on four main independent variables in the work environment which mainly influence the performance of bank employees, namely; work place design, work force diversity, rewards and benefits and health and safety measures. The target population was 288 which comprise all levels of employees working with the eight banks in Machakos town. In this study, inferential analysis research design was used because it enabled the researcher to study the total population by selecting and studying a representative sample size. Stratified random sampling technique was used to determine a representative sample from the three employee categories in each selected bank. A sample of 20% from each stratum was randomly selected and 50% of the top level managers for representation. This gave a total of a sample size of 63 employees which was used in the study. The instrument of data collection was structured questionnaires for the middle level managers and lower level employees. Interview guide was used for the top level managers. The researcher used the findings from this data to make conclusion and recommendations. Findings showed that there is a positive relationship between conducive workplace design that is suitable for employee's work and the level of employee performance; workforce diversification is a vital tool in enhancing employee satisfaction in the organization. Findings as well indicated that, having a good policy on health and safety in an organization greatly influences the level of employee performance. There is also a positive relationship between the provision of rewards and other benefits to employees for their performance and the level of their productivity. Based on the findings, recommendations were drawn that; to ensure productivity of employees, management should look for ways that the firm can motivate each individual employee to do their best as well that organizations should give regular, accurate performance reviews to the employee performance that would be the basis of rewarding their work.

## **DEDICATION**

This project work is dedicated to my husband, Onesmus, who has been a constant source of support and encouragement during my study period. I am truly thankful for having you in my life. I also dedicate it to my lovely sons, Hiram and Victor who reminded me that I had to work hard.

This work is also dedicated to my parents, Leonard and Mary, who have always loved me and encouraged me to work smart even in tough times.

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## **DEFINITION OF TERMS AND CONCEPTS**

**Work environment:** the sum total of conditions that affect employees' performance

**Employee performance:** the output by employees against set targets by the employer.

**Rewards and benefits:** the financial and non-financial compensation gained by an employee.

**Work force diversity:** inclusion of employees with regards to their different opinions, cultural backgrounds, education backgrounds, different experiences etc.

**Workplace design:** the physical layout, appearance, and general atmosphere of the working space.

## **ACRONYMS AND ABBREVIATIONS**

<b>BBK:</b>	<b>Barclays Bank of Kenya</b>
<b>CO-OP:</b>	<b>Co-operative Bank</b>
<b>NBK:</b>	<b>National Bank of Kenya</b>
<b>SCB:</b>	<b>standard Chartered Bank</b>
<b>ATM:</b>	<b>Automated Teller Machine</b>
<b>KCB:</b>	<b>Kenya Commercial Bank</b>

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.0 Introduction**

This chapter gives an overview of the whole issue under study. It expounds on the background of the problem and a brief explanations on the key areas under focus.

### **1.1 Background to the study**

Globalization and increased use of technology has brought tremendous change and created new demands for the business world. The strategic intention of organizations today is to achieve innovation at lightning speed and want people to work better, smarter and faster. According to Sundstrom, (2009) majority of people spend 50% of their lives within indoor environments, which greatly influence their mental status, actions, abilities and performance. Realizing the current challenges of business environment and to make survival possible, organizations have started paying more emphasis on managing the performance of their employees, fulfilling their comfort needs by providing them an effective workplace environment which helps them to attract and retain best talent. Various literatures relating to the study of multiple offices and office buildings indicated that factors such as dissatisfaction, cluttered workplaces and the physical environment are playing a major role in the loss of employees' productivity (Clements- Croome, 2007).

Increased personal control and comfort needs of employees has triggered the concern among organizations to provide them with an environment and office design, which

fulfills the employees' needs and helps to boost their productivity. Comfortable office design motivates the employees and increases their performance substantially. Clements-Croome (2007) highlighted that better outcomes and increased productivity can be achieved through better workplace environment.

In today's competitive business environment, management cannot afford to waste the potential of their workforce. In an effort to motivate employees, organizations have implemented performance based pay, practices to help balance both work and family and various forms of information sharing. Management's new challenge is to create a work environment that attracts, keeps and motivates its workforce. Many managers and supervisors think that the level of employee performance on the job is proportional to the size of the employee's pay packet.

It is the quality of the employee's workplace environment that most impacts on their level of motivation and subsequent performance. Armstrong (2008) observed that work environment plays a huge role in ensuring that employees work with ease and attain their goals amicably.

### **1.1.1 Overview of work Environment**

Work environment comprises the totality of forces, actions and other influential factors that are currently and, or potentially contending with the employee's activities and performance. Work environment is the sum total of the interrelationships that exists within and between the employees and the environment in which the employees work (Kohun, 2012).

The concept implies the nature, kind and status of working conditions prevalent in a particular organization for instance the working hours, disposition of the manager or supervisor, physical attributes around the job, work space, facilities, benefits, fun at work, destructions, relationships with others, and generally all aspects around the job that one or all the employee perceives as a surrounding or environment (Pettersen, 2008).

The significance of work environment is seen as either, its inhibitive role or facilitative role towards attaining work outcomes that are both desirable and/or undesirable to the employer and employee. There are key factors in the employee's workplace environment that impact greatly on their level of motivation and performance. In addition to motivation, workers need the skills and ability to do their job effectively (Chandrasekar, 2011). Mostly people spend fifty percent of their lives within indoor environments, which deeply influence their mental status, actions, abilities and also their performance (Sundstrom, 2009). Good results and increased output is assumed to be the result of better workplace environment. Better physical environment of office will boost the employees and finally improve their productivity (Carnevale, 2010).

### **1.1.2 Overview of employee performance**

Evaluating employees involves more than just an assessment of their immediate performance, particularly when it comes to bank employees. These individuals are responsible for handling large amounts of cash on a daily basis, working with sometimes disagreeable customers and are held to a higher level of ethics and responsibility than employees in many other businesses. Mathis and Jackson (2009) argued that performance is associated with quantity of output, quality of output, timeliness of output, presence / attendance on the job, efficiency and effectiveness of the work completed.

Hawthorne studies highlighted the fact that employees who are satisfied with their job will have higher job performance, and thus supreme job retention than those who are not happy with their jobs (Landy, 1985). Moreover, it is stated that employees are more likely to leave employment if they are not satisfied and hence demotivated to show good performance. Employee performance is higher in happy and satisfied workers and the management finds it easy to motivate high performers to attain firm's targets. (Kinicki and Kreitner, 2007).



### **1.1.3 The Banking Sector in Kenya**

Commercial banks play important roles in worldwide economies and their employees are the best sources of delivering good services to their customers. Excellent services provided and offered by employees can create a positive perception and ever lasting image in the eyes of banks customers. The financial services industry is one of the most competitive and highly globalized sectors due to the extensive use of information technology systems by firms operating in the sector. Despite the fact that information technology has become the bedrock of all companies in the financial sector at the global level, human capital still remains the driving force in the highly digital financial services industry, because not all the functions performed by financial institutions can be undertaken solely by electronic devices such as automated teller machines (ATM), computers or other similar devices.

Banks are always seeking to provide their clients with the best banking services through their staff. They strive to support the efficiency and quality of the staff members with the best rehabilitation and training programs in order to provide them with the necessary knowledge and expertise enabling them to fulfill the aspirations and needs of Bank's clients in accordance with the latest developments in the banking industry and services in the competitive market.

Due to heavy inflow of multinational banks in Kenya, a new culture in the banking sector based on performance, rewards and compensations have been brought in. Employees are feeling the pressure of the ever rising targets from the employers. Employers have

become more aggressive about restructuring work in ways that push for higher productivity aided by an array of technologies and management practices. The relentless drive for more in the work place in pursuit of higher market share has created harshness in the office. The imposition of performance quotas in the banking sector is making employees to put in extra hours to meet the often brutal deadlines.

### **1.2 Statement of the Problem**

Management's new challenge is to build a work environment that attracts, retains and motivates its employees. Many executives wrongly believe that the level of employee performance on the job is proportional to the size of the employee's compensation package. It is worth noting that many people are not only interested on the salary scale when seeking for employment, but also want good working conditions. The morale, interest and attitude of workers will not be boosted if they understand that they are not cared for.

Hameed and Amjad (2009) argued that, the workplace environment, its significance and its related issues are significantly ignored. They further reported that there has been no or very little attention paid to the workplace environment and moreover, employers and employees are not aware of the influence and hidden dynamics of workplace environment. Such circumstances are affecting the employees' productivity in form of delay in work completion, frustration, increase in absenteeism and effect on personal growth.

Other studies including Smith (2011), Shikdar (2002), Hughes, (2007), and Chandrasekar (2011) on effects of work environment focus on the developed countries. Few studies have been carried out in the developing countries Kenya being included. For example Hughes, (2007) conducted a study comprising of 2000 employees belonging to different organizations and industries and the findings of the study reported that nine out of ten believed that positive workplace quality affects the attitude of employees and increases their productivity.

The gap evident in the studies from the developed countries is that the studies focused on the non-financial sectors with very few dealing with the financial sectors. The Studies have been inconclusive which is as a result of country differences, legal and cultural differences, timing and differences in performance measures. This therefore means that the non-financial studies cannot be generalized to the financial sector and do not adequately inform us on the influence of work environment on the employee performance in the banking sector in the developing countries. Thus the purpose of this study was to close the above mentioned gaps, investigating this phenomenon through the relevant literature, shedding more light into influence of work environment on employee performance and providing suggestions to the firms on how they can improve work environment and therefore motivate their employees perform optimally in their job.

### **1.3 Objectives of the study**

#### **1.3.1 General Survey Objectives**

The general objective of this study was to assess the influence of work environment on employee performance in eight banks in Machakos town.

#### **1.3.2 Specific Objectives of the Survey**

The specific objectives for this survey included:

- (i) To examine the influence of workplace design on employees' performance.
- (ii) To evaluate the influence of work force diversity on employees' performance.
- (iii) To assess the influence of health and safety measures on employees' performance.
- (iv) To evaluate the influence of benefits and rewards on employees' performance.

### **1.4 Research Questions**

- 1. Does workplace design influence the performance of employees?
- 2. Does work force diversity influence employee performance?
- 3. Do Health and safety measures influence employee performance?
- 4. Do Benefits and rewards influence employee performance?

### **1.5 Justification of the Study**

The findings of the study are of great significance in offering guidelines to address the current challenges in Human Resource Management and Development and ultimately enhance employee performance in organizations.

The research will help the managers by expanding the literature in the management of work environment to improve employee performance for competitive advantage of their various organizations.

It will also enable Bank managers to remain relevant amidst the contemporary challenges by putting in place programmes and strategies for management of work environment in their organizations for better employee performance.

To the researchers, it will pose a challenge to be pro-active in the search for solutions to the contemporary human resource management challenges and also enrich the limited body of knowledge on work environment.

### **1.6 Scope of study**

The scope refers to the geographical area covered by the study as well as the time within which it was be carried out. In the research study, the scope is the eight (8) commercial banks (Kenya Commercial bank, Barclays bank, Equity bank, Standard chartered bank, Cooperative bank, Family bank, K rep bank and National bank) in Machakos town and the target population of the study included all the employees of these banks.

### **1.7 limitations of the study**

The major challenge faced by the researcher was getting the respondents especially the managers where she would book appointments prior to their meeting and sometimes fail to get them at all. This lengthened the time taken to collect data.

Given the type of work the respondents do, getting the questionnaires filled up was also a challenge, most of them took more than the expected time to fill in the questionnaires which resulted to back and forth movement of the researcher to collect them on different days with some of them failing to submit them back.

## **CHAPTER TWO**

### **LITERATURER REVIEW**

#### **2.0 Introduction**

This chapter presents a review of the literature on influence of work environment on bank employees. The chapter is outlined on theoretical review, work place design, work force diversity, compensation, health and safety measures and conceptual framework.

#### **2.1 Theoretical review**

##### **2.1.1 Two -factor theory**

The two-factor theory states that there are certain factors in the workplace that cause job satisfaction, while a separate set of factors cause dissatisfaction. The theory was developed by psychologist Frederick Herzberg, who theorized that job satisfaction and job dissatisfaction act independently of each other.

According to Herzberg (1959), individuals are not content with the satisfaction of lower-order needs at work; for example, those needs associated with minimum salary levels or safe and pleasant working conditions. Rather, individuals look for the gratification of higher-level psychological needs having to do with achievement, recognition, responsibility, advancement, and the nature of the work itself.

Herzberg (1959) proposed a two-factor model of motivation, based on the notion that the presence of one set of job characteristics or incentives leads to worker satisfaction at work,

while another and separate set of job characteristics leads to dissatisfaction at work. Thus, satisfaction and dissatisfaction are not on a continuum with one increasing as the other diminishes, but are independent phenomena. This theory suggests that to improve job attitudes and productivity, administrators must recognize and attend to both sets of characteristics and not assume that an increase in satisfaction leads to decrease in unpleasable dissatisfaction.

This theory is divided into two (motivational and maintenance factors). Maintenance factor is also known as (hygiene factor) such as working condition and job security (Donnelly, 1995). This hygiene factor is de-motivator of employee. So, working condition is related to this theory because the absence of maintenance factors brings high negative feeling and their presence generally brings employee on neutral state.

### **2.1.2 Maslow Hierarchy of Needs theory**

This theory was developed by Abraham Maslow's (1943) which has been widely applied to offer an explanation on the work environment and employee performance. Maslow hypothesized five levels of needs: physiological, safety, social, esteem, and self-actualization (Maslow 1954 and Lindner 1998). He placed them in a framework referred to as the hierarchy of needs because of the different levels of importance. Maslow states that, if all needs are unsatisfied at a particular time, satisfaction of the predominant need is most pressing. Those that come first must be satisfied before a higher-level need comes into play.



At the most basic level, an employee is motivated to work in order to satisfy basic physiological needs for survival, such as having enough money to purchase food. The next level of need in the hierarchy is safety, which could be interpreted to mean adequate housing or living in a safe neighborhood. The next three levels in Maslow's (1943) theory relate to intellectual and psycho-emotional needs: love and belonging, esteem (which refers to competence and mastery), and finally the highest order need, self-actualization.

These two theories are important in this study because they guided the researcher in establishing the influence of work environment on employee performance. This is by getting to understand the work environment motivators and de-motivators and thus carrying out a survey intended to appreciate, suggest and recommend the optimum work environment for optimum output in the banking sector and other service industries of a similar setting.

## **2.2 Work place Design**

Stallworth and Kleiner (2006) argued that increasingly an organization's physical layout is designed around employee needs in order to maximize productivity and satisfaction. They argued that innovative workplaces can be developed to encourage the sharing of information and networking regardless of job boundaries by allowing communication freely across departments. Statt (2008), argues that the modern work physical environment is characterized by technology; computers and machines as well as general furniture and furnishings. The aforementioned scholars concur that high levels of employee performance, can be achieved only if the physical environment is conducive.

Consequently, the physical environment is a tool that can be leveraged both to improve business results Mohr (1996) and employee well-being (Huang et al, 2004). Ensuring adequate facilities are provided to employees is critical to generating greater employee commitment and productivity. The provision of inadequate equipment and adverse working conditions has been shown to affect employee commitment and intention to stay with the organization (Weiss, 2009).

Extensive scientific research conducted by Roelofsen (2002), has also yielded indications suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity. The indoor environment has the biggest influence on productivity in relation to job stress and job dissatisfaction. As suggested by Govindarajulu (2004), in the twenty-first century, businesses are taking a more strategic approach to environmental management to enhance their productivity through improving the performance level of the employees.

Sekar (2011) argues that the relationship between work, the workplace and the tools of work, workplace becomes an integral part of work itself. The management that dictate how, exactly, to maximize employee productivity center a round two major areas of focus: personal motivation and the infrastructure of the work environment. (Sekar, 2011).

Many organizations have been trying new designs and techniques to construct office buildings, which can increase productivity, and attract more employees. Many authors

have noted that, the physical layout of the workspace, along with efficient management processes, is playing a major role in boosting employees' productivity and improving organizational performance (Uzee, 1999; Leaman and Bordass, 1993; Williams et al. 1985).

### **2.3 Work force Diversity**

Thompson et al (1994) argued that a multicultural management perspective fosters more innovative and creative decision making, satisfying work environments, and better products because all people who have a contribution to make are encouraged to be involved in a meaningful way which in turn yields more information, more points of view, more ideas and fewer reservations. According to D'Netto and Sohal (1999), organizations which plan for the anticipated workforce and accept cultural diversity management as a progressive technique will benefit from better employee retention, increased productivity, less absenteeism, better morale, and improved customer service. A company that discriminates either directly or indirectly curtails the potential of available talent, underutilizes the employees and loses the financial benefits of retaining them (Ellis and Sonnenfield, 1994).

Proper diversity management can increase an employee's self esteem and feeling of belongingness to the organization especially, if the employee is from a minority group. Good workforce diversity practices in the area of human resources are believed to enhance employee and organizational performance (Hall and Parker, 1993). Diversity brings the value of different employee perspectives and varied types of contribution

especially when organizational members increasingly reflect the diverse custom base of the organization. This provides a way in which organizations can understand, and therefore meet, their customer needs.

Following the same line of argument, Allen and Montgomery (2001) say that for an organization to succeed, its strategies must consist of managing change, establishment of appropriate diversity management policies and procedures and target diversity related competencies. The desired outcomes include attracting and developing the best employees which should give the organization a competitive edge to generate greater profits that support job security. Due to the fact that employees can understand how these outcomes are desirable, they will support the organization's efforts at managing diversity and embrace a culture that supports diversity (Carrel, 2006).

## **2.4 Benefits and Rewards**

People get remunerated but living from hand to mouth. By identifying the impact of employee returns in an organization will help organizations to foster organizational commitment and enhance the satisfaction levels among staff members. Providing respectful compensation to the employees of an organization has soothing effect of both organization and employees performance (Jamil and Sarfaraz, 2011).

Compensation practices are positively related with retaining & enhancing the skilled employees that are considered assets of an organization. Mondy and Noe (1993), divided compensation in two types; financial compensation & non-financial compensation.

Financial compensation is further divided into direct and indirect financial compensation. Direct compensation includes bonus, good salary packages, profits & commission. Indirect financial compensation are all those benefits that are not covered by direct financial compensation.

Non-financial compensation consists of responsibilities, opportunities, recognition, promotion, vacations, good work place environment, sound policies, insurance, medical, retirement etc. All these compensations affect the performances of the employees in different manners. Armstrong, (1999) argued about the non-financial compensation should focus on the needs of people which can be different such as level of attainment, respect, task, control and individual improvements. Wright et al (2003) argued that if proper performance management is in place and is supported by compensation system then employees will exert discretionary efforts.

## **2.5 Health and Safety Measures**

Health and safety policies and programmes are concerned with protecting employees and others affected by what the company produces and do against the hazards arising from their employment or their links with the company (Armstrong, 2006). Occupational Health programmes deals with the prevention of ill health arising from working conditions. Safety programmes on the other hand deals with the prevention of accidents and with minimizing the resulting loss and damage to persons and property.

Nzuve (1999) explained that organizations have both legal and moral obligations to provide health and safe working environment as well as ensuring the total well-being of their employees. Organizations should be concerned with the employees not only on humanitarian grounds because employees' total well-being is not only important to themselves but equally so to the employer.

According to Cole (2002) the health and safety of the employees are issues that have been the subject of public debate in Britain since the return of the century. He argues that a system should be devised to enable all employers and employees to become aware of their personal responsibility for health and safety and that there is a need to set up a unified framework of legislation to cover all work activity not just factories but to include offices, mines, farms and other kinds of work. According to Amstrong (2006), the achievement of the highest standards of health and safety in the workplace is important because the elimination or minimization of the hazards and the risks is a moral as well as legal responsibility of employers.

## **2.6 Empirical Review**

Huges, (2007) surveyed 2000 employees pertaining to various organizations and industries in multiple levels. The reported results of these survey showed that nine employees out of ten believed that a workspace quality affects the attitude of employees and increases their productivity. James, (1996) concluded that the working as a team has significant impact on the satisfaction level of employees as it affects their performance. Extensive scientific research conducted by Roelofsen (2002) has also yielded indications

suggesting that improving working environment results in a reduction in a number of complaints and absenteeism and an increase in productivity.

A study conducted by Moy, (2006) opined that clerical and professional workers' association found that 65.5% of workers believed a five-day work week would help them better manage their private matters. Whereas half of respondents believed that this practice would allow them to spend more time with their families and improve their quality of life which helps in improving their productivity at work. Numerous studies found that job stress influences the employees' job satisfaction and their overall performance in their work. In fact, modern times have been called as the "age of anxiety and stress" (Rehman et al. 2012).

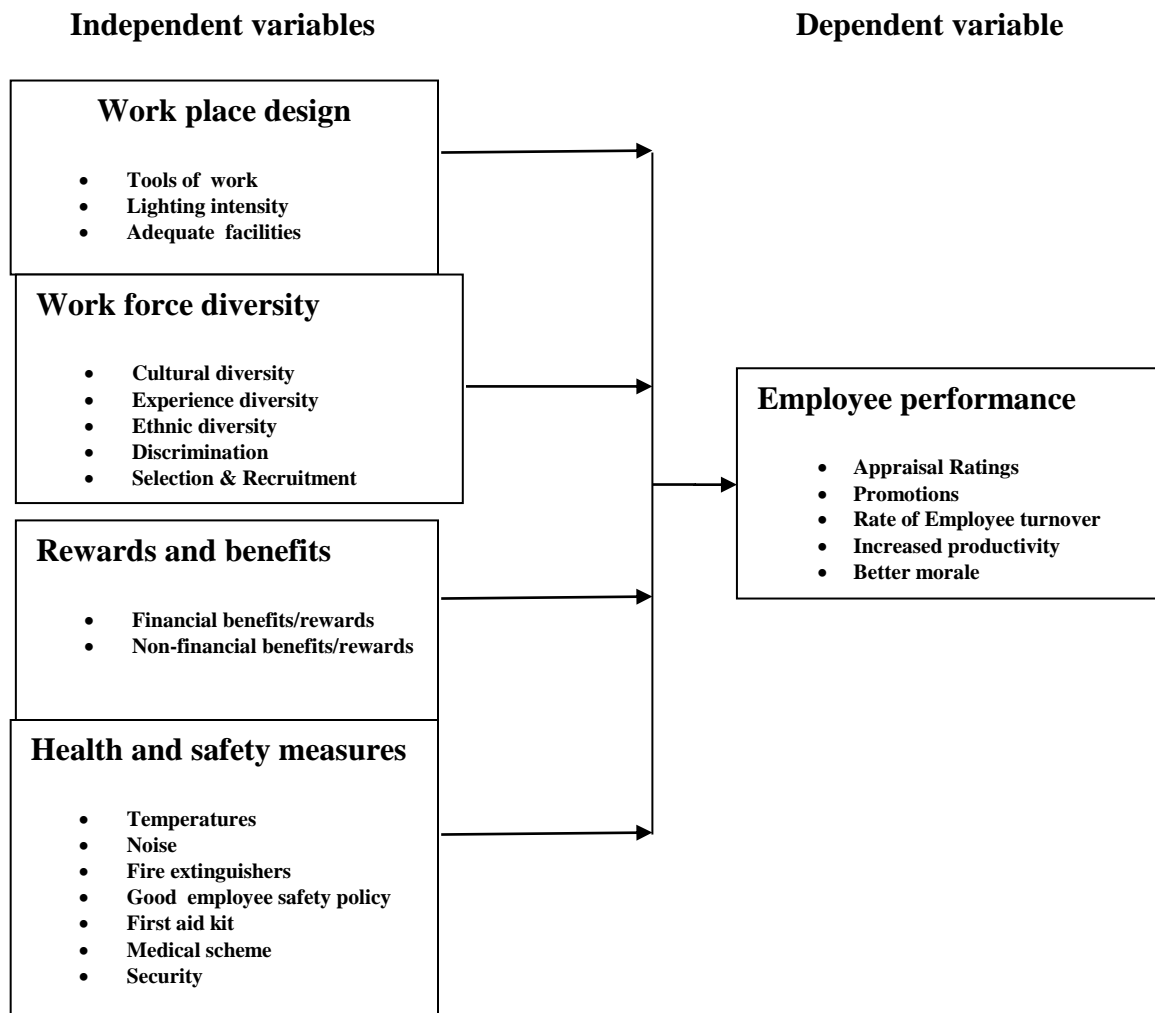
In one experiment, Lan et al. (2010) investigated the impact of three different indoor temperatures (17°C, 21°C and 28°C) on productivity. They found that employees feel slightly uncomfortable in both the coolest and warmest of these climates, that they were less motivated and that they experienced their workload as more difficult, with a consequent turn down in productivity.

Salacuse, (2007) in his study indicated that as a result of changing work environments in which employees are more educated and intelligent than past generations, leaders are now required to lead by negotiation. Specifically, he noted that in order for leaders to persuade people to follow their vision, they need to communicate effectively by appealing to the interests of the followers. Cassar, (1999) found that employee

participation, which includes such things as involvement in joint decision making, has been shown to have a positive association with positive work attitudes and employee commitment.

## 2.7 Conceptual Framework

The purpose of the conceptual framework is to help the reader to quickly see the proposed relationship between the variables of this study.



**Figure 2.1**

The conceptual framework of this study indicates the relationship between the variables including how the independent variables influence the dependent variables.



## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

This chapter provides the methodology and techniques that the researcher used in carrying out the study which include the Research design, the study population, sample procedure and sampling techniques as well as mode of data collection and analysis. According to Mugenda and Mugenda (2003), research methodology describes the procedures used in conducting the study.

#### **3.1 Research Design**

Research design is the plan and structure of investigation that is used to obtain answers to research questions. According to Ogula (1995), this design is used to obtain information that describes the characteristics of the population, explains the current practices, conditions or needs and provides information for generating research questions. It is also used to explore existing status of two or more variables (Mugenda and Mugenda, 1999).

In this study, the researcher used inferential analysis research design because it enabled her to study the total population by selecting and studying a representative sample size. Inferential analysis was used because it aided to portray characteristics of events, situations and populations which enabled the researcher to get complete and accurate information.

### **3.2 Population**

According to Mugenda and Mugenda (2003), a population refers to an entire group of individuals, events and objects having a common observable characteristic. This definition ensures that the population of interest is homogeneous. There are 44 licensed commercial banks in Kenya. Due to finance and time factor, the study considered the eight (8) commercial banks based in Machakos town.

The target population of the study comprised of employees working in commercial banks within Machakos town. The population included all levels of employees working with the commercial banks within Machakos town. The target population included 288 employees, comprising 16 top level managers (branch managers and operations managers), 64 middle level managers (departmental supervisors and sales managers), and 208 lower level employees (tellers and sales representatives). This information is according to figures provided by the managers of the specific banks as requested by the researcher in a pilot study.

### **3.3 Sampling Technique**

The researcher used stratified sampling technique because it was appropriate to a population in which the population units are not homogenous (Robson, 2002). This method allowed the researcher to divide the sample into appropriate strata that are mutually exclusive. According to Coopers and Schindler (2000) stratified sampling increases statistical efficiency on a sample, provides adequate data for analyzing the

various sub-populations and enables different research methods and procedures to be used in different strata.

### 3.4 Sample Size

Denscombe (1998) posited that, the sample must be carefully selected to be representative of the population and the researcher also needs to ensure that the subdivisions entailed in the analysis are accurately catered for. According to Mugenda and Mugenda (2003), at least 10% of the accessible population is enough for a study. The researcher went for 20% of the population in each category except for the top level managers where the sample was 50%. The sample size therefore included 63 staffs as illustrated in the table below.

**Table 3.1: List of main Banks operating in Machakos Town, number of employees and their levels**

<b>Name of Bank</b>	<b>Top Managers</b>	<b>Supervisors</b>	<b>Lower level employees</b>
BBK	2	10	36
KCB	2	12	32
SCB	2	6	30
EQUITY	2	9	24
FAMILY	2	6	20
CO-OP	2	10	30
NBK	2	6	20
K-REP	2	5	16
<b>Total</b>	<b>16</b>	<b>64</b>	<b>208</b>

**Table 3. 2: Bank employees in categories and Sample size**

<b>Category</b>	<b>number of employees</b>	<b>sample size</b>
<b>Top level managers</b>	<b>16</b>	<b>8</b>
<b>Supervisors</b>	<b>64</b>	<b>13</b>
<b>Lower level employees</b>	<b>208</b>	<b>42</b>
<b>Total</b>	<b>288</b>	<b>63</b>

### **3.5 Research Instruments**

The researcher used structured questionnaires to collect data. According to Mugenda and Mugenda (2003), structured questionnaires are those that have definite, concrete and predetermined questions and are accompanied by a list of possible alternatives from which respondents select the answers that best describe the situation. Structured questionnaires were used in the study because they reduce the amount of thinking that a respondent needs to undertake to complete the task which leads to higher response and more accurate data as well as considering the kind of work done by the respondents. The respondents were lower level and middle level employees.

Interview guide was also used in the collection of data. Interviewing is a way to collect data as well as to gain knowledge from individuals. Kvale (1996), regarded interviews as an interchange of views between two or more people on a topic of mutual interest, sees the centrality of human interaction for knowledge production, and emphasizes the social impact of research data.

The interview guide was considered appropriate for this study since there was need to gain an in-depth understanding of the influence of work environment on employee performance and this could only be achieved by conducting interviews. The researcher p conducted the data collection exercise in person, through face to face interviews with the respondents. The respondents were the top level management.

### **3.6 Data collection Procedure**

According to Chandran (2004), data collection involves operationalizing the research design into instruments of data collection with a view of collecting data in order to meet the research objectives. The instruments of data collection in this study were self-administered questionnaires which allowed respondents to complete the questionnaires at their own convenient time. Interview guide was only used to gather information from bank managers and operations officers. This was done at a pre-arranged time and to their convenience.

### **3.7 Data processing and Analysis**

Data is a collection of facts and figures relating to a particular activity under study (Cooper and Schindler, 2009). Cooper and Schindler (2009) acknowledged that for data to be useful, it has to provide answers to the research questions. Data analysis is defined as the whole process, which starts immediately after data collection and ends at the point of interpretation and processing of results (Cooper and Schindler, 2009). It involves scrutinizing the acquired information and making inferences.

The researcher collected qualitative data using an interview guide and structured questionnaires. Content analysis was used to analyze the data. Nachmias and Nachmias (1996), defined content analysis as any technique used to make inferences through systematic and objective identification of specified characteristics of messages. Kothari (2004), also explained content analysis as the analysis of the contents of documentary and verbal material and describes it as a qualitative analysis concerning the general import of message of the existing documents and measure pervasiveness. Before embarking on content analysis, the researcher assessed the written material's quality to ensure that the available material accurately represents what is written or said. The researcher then listed and summarized the major issues contained in the interview guide responses. This enabled the researcher to structure the data in a way that can make it possible to analyze and interpret it.

## CHAPTER FOUR

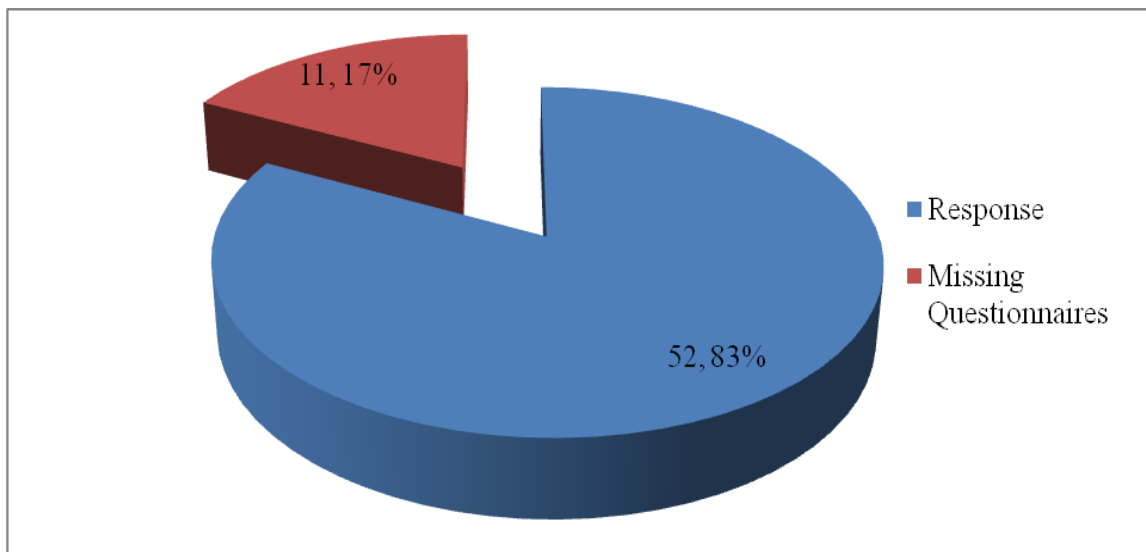
### DATA ANALYSIS

#### 4.1 Introduction

The chapter presents results of the analyzed data from the field. It gives results based on research objectives meant to answer the research questions derived from the problem identified. In the chapter, the results are presented in chart and table forms to show the trends and patterns in the data collected.

#### 4.2 Response Rate

Figure 4.1 below gives the response rate of the study. It shows how the researcher was able to collect data from the sampled staffs.



### Figure 4.1 Response Rate

As the table shows, the researcher managed to collect data from 52 bank staffs out of the targeted 63 staffs. This was a good representative of the sample with 83% response rate as recommended by Mugenda and Mugenda (2003) that a response rate of 75% is a good representation that can give reliable results for a research.

### 4.3 Background Characteristics

**Table 4.1 Staff Background Characteristics**

	Frequency	Percent		Frequency	Percent
<b>Position</b>			<b>Experience</b>		
Branch manager	2	3.8	Less than 2 years	3	5.8
Operations manager	4	7.7	3-5 Years	23	44.2
Departmental Supervisor	11	21.2	6-8 Years	17	32.7
Teller	21	40.4	9 years and above	9	17.3
Sales representative	14	26.9			
<b>Gender</b>			<b>Level of Education</b>		
Male	34	65.4	College	21	40.4
Female	18	34.6	University	31	59.6
<b>Age</b>					
22-25 Years	3	5.8			
26-30 Years	16	30.8			
31-35 Years	22	42.3			
36 years and above	11	21.2			



The table presents the background characteristics of the respondents which include the position in employment, gender, age, experience and the level of education. From the table, majority of the respondents were staffs from the lower level of management as 67.3% of the respondents comprised of both the tellers and the sales representatives. 21.2% were departmental supervisors, 7.7% were operational managers and 3.8% represented the branch managers in the participation. Of these, 65.4% were male staffs and 34.6% were female revealing that there are more male staffs as compared to the female staffs working in the banks.

Most of the staffs studied aged between the 31 to 35 years. This category had 42.3% of the respondents followed by age group 26 -30 years with 30.8% of the respondents and those aged above 35 years at 21.2% while the least were the respondents under the age group 22 – 25 years with 5.8% of the respondents. Studying their experience in the banking operations, 44.2% of the respondents were found to have 3 – 5 years of experience, 32.7% had 6 – 8 years and 17.3% had 9 years and above experience while the least were the respondents with less than 2 years of experience with 5.8% of the respondents. From the table also, majority of the respondents were university graduates. These were 31 in the participation representing 59.6% of the respondents. The rest (40.4%) were respondents with college education as their highest level achieved. Thus, the bank staffs were found to have achieved high levels of education as none of the respondents had below college education.

#### 4.4 Influence of Work Environment on Employee Performance.

This section presents results on the working environment and its effect on employee's performance. The results are based on the likert scale data collected on the level of agreement of the respondents to the given aspects of work environment and their influence on performance. The results are as presented in table 4.2 below;

**Table 4.2 Influence of Workplace design on employee performance**

	Strongly agree		agree		Neutral		Disagree		Strongly Disagree	
	f	%	f	%	f	%	f	%	f	%
The workspace allocated to my department impacts on our overall performance.	42	80.8	10	19.2	0	0.0	0	0.0	0	0.0
Comfortable seats is one of the factor improves my productivity in that am able to seat for long hours without straining.	50	96.2	2	3.8	0	0.0	0	0.0	0	0.0
The Lighting system affects my productivity especially when I have to sit in the office for long hours.	48	92.3	2	3.8	2	3.8	0	0.0	0	0.0
Our open office design impacts on our performance positively.	46	88.5	6	11.5	0	0.0	0	0.0	0	0.0
Tools of work provided by my employer affect my performance.	49	94.2	3	5.8	0	0.0	0	0.0	0	0.0

From the table, results shows that the workspace allocated to different departments of the banks impacts on the staffs overall performance. This is as 80.8% of employees strongly agreed and 19.2% agreed to this indicating that all the respondents agreed that the workspace allocated to their working affected their performance. Findings also show that

96.2% and 3.8% of the respondents strongly agreed and agreed respectively that having comfortable seats in their offices is one of the factors that improve their productivity. This is as they reported that they are able to seat for long hours without straining thus enabling their work throughout the day.

Findings as in the table as well show that lighting system affects employee productivity. This is especially when they are to sit in the office for long hours as reported by 96.1% of the respondents who agreed to the aspect. Among these, 92.3% strongly agreed and 3.8% agreed whereas 3.8% were not sure whether this factor affected their performance significantly. The design of office also influences employee performance as all the respondents agreed that the designs used in their offices positively contributed to their positive performance. However, the degree of agreement varied for this factor where 88.5% strongly agreed and 11.5% agreed. From the table also, it is evident that the tools of work provided by employers affect employee performance. This is as all the respondents agreed with 94.2% strongly agreeing and 5.8% agreeing that the provision of working tools determined their productivity in their work.

On evaluating the nature of the working environment in the banks, the findings indicated that in all the banks studied, open office system is used. In the office arrangement, workers are able to interact as they execute their duties which was considered ideal for the kind of work they do. This enables the bank staffs to consult each other on different roles as it is more productive when employees seek assistance from the others so as to improve the quality of their services.

The main parties actively involved in improving employee working environment in the banks are the managers who represent the human resource management in the branches. However, according to the findings, there are some limits to the extent in which a branch manager can act in improving the environment. Findings also show that the human resource department ensures that the working environment is conducive for better performance of employees.

From the results obtained on interviews conducted, employees are quite articulate and like freedom in their work places. Findings showed that a failure to meet employee will makes them demotivated, a fact that makes them inactive in their offices bringing in poor performance in their work. It is also evident from the results that improving the working environment standards to favor employees, positively improves the rate of absenteeism especially through sick offs, and performance is inevitably improved.

Findings illustrated that, in the service industry, demotivated employees will not offer the best service. Demotivated employees will show frequent customer complaints that affect their productivity leading to a poor performance of the organization. This was evidenced in the interviews conducted to the managers.

## 4.5 Influence of Workforce diversity on employee performance

**Table 4.3 Work Diversity and Employee Performance**

	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	f	%	f	%	f	%	f	%	f	%
Every employee is given an opportunity to learn which improves our morale and subsequent performance.	50	96.2	2	3.8	0	0.0	0	0.0	0	0.0
Being involved in decision making in my department is a tool that positively affects my productivity.	46	88.5	2	3.8	4	7.7	0	0.0	0	0.0
Distribution of work according to ones skills and capabilities will affect our performance.	50	96.2	2	3.8	0	0.0	0	0.0	0	0.0
Fair selection and recruitment exercise for internal promotions will increases competition and thus improved productivity.	52	100.0	0	0.0	0	0.0	0	0.0	0	0.0

The study findings as presented in table 4.3 show that, giving an employee an opportunity to learn improves their morale and subsequent performance. This is as 96.2% and 3.8% strongly agreed and agreed respectively that as every employee is given an opportunity to learn in their places of work, their level of working morale is improved leading to increased performance. An employee, being involved in decision making in their department of work is a tool that positively affects their productivity as reported by the respondents where 88.5% strongly agreed and 3.8% agreed to this aspect. However, 7.7% of the respondents neither agreed nor disagreed to this indicating that their involvement in decision making did not make significance influence to their performance. Also, from the table, 96.2% strongly agreed and 3.8% agreed that distribution of work according to

ones' skills and capabilities affects employee performance. It is also evident from the results that a fair selection and recruitment exercise for internal promotions will increase competition and thus improved productivity among employees as all the respondents strongly agreed to this factor.

Findings indicated that, for one to work for the bank they don't have to be professional bankers. Banks pick people from different education backgrounds, different ethnic groups, diverse experiences and skills that facilitate their diversification in service delivery. The banks studied revealed that lower level employees participate to strategic planning through giving out their views on the implementation part. Findings show that diversity and inclusion leads to high performance as employees are given an opportunity to set their personal targets from the main business objectives.

## 4.6 Influence of Health and safety Policy on employee performance

**Table 4.4 Health and safety versus employee performance**

	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	f	%	F	%	f	%	f	%	f	%
The Occupational health and safety policy in my organization has a positive impact on my job performance.	42	80.8	4	7.7	4	7.7	2	3.8	0	0.0
My organization takes caution to prevent occupational health hazards thus I feel secure while working which affects my performance.	48	92.3	2	3.8	2	3.8	0	0.0	0	0.0
A competitive medical scheme will motivate me to remain with the organization am working for and perform better.	50	96.2	2	3.8	0	0.0	0	0.0	0	0.0
My organization is well secured with various controls e.g CCTV cameras, guards, alarms etc. thus I feel quite secure while undertaking my duties which to some extent affects my productivity.	40	76.9	6	11.5	2	3.8	2	3.8	0	0.0
Controlled noise and temperature in my workplace will allow me to concentrate on my job and therefore better performance.	48	92.3	4	7.7	0	0.0	0	0.0	0	0.0

According to the findings, 80.8% of the respondents strongly agreed, 7.7% agreed, 7.7% neither agreed nor disagreed and 3.8% disagreed that the Occupational health and safety policy in an organization has a positive impact on employee job performance. This therefore shows that with occupational health and safety policy, employees are motivated and are able to perform better in their roles. Employees feel secure when their employer

takes caution to prevent occupational health hazards. This is reported by most of the respondents who agreed to the matter - 92.3% strongly agreed and 3.8% agreed,

Competitive medical scheme will motivate employees to remain with the organization they work for and perform better. This is according to the responses given where 96.2% of the respondents strongly agreed and 3.8% agreed indicating that there is positive effect of having a competitive medical scheme on employee performance. Respondents also reported that with a well secured organization with various controls like CCTV cameras, guards and alarms, employees feel secure and are more productive in their job. This is as 76.9%% of the respondents strongly agreed and 11.5% who agreed indicating that they feel quite secure while undertaking their duties which to some extent affects their productivity. From the table as well, 92.3% of the respondents strongly agreed and 7.7% agreed that controlled noise and temperature in the workplace allows employees to concentrate on their job leading to their better performance.

Further, research revealed that in all the banks studied, there is a medical scheme provided by the employers to all employees that allows employees and their families to take regular medical checkups without having to pay. This as seen above reduces turnovers and absenteeism facilitating improved performance. The banks also have provision for action to take in case of an attack and precaution is always observed to ensure that staffs are protected in case of any attack or catastrophes. Also there is CCTV surveillance in all the 8 banks which to some extent influence the confidence of employees especially those who deal with cash and related transactions.



#### 4.7 Influence of Rewards and Benefits on employee performance

Table 4.5 below gives the results on the level of agreement that the respondents gave concerning the role played by rewards and benefits to an employee and its impact on employee performance.

**Table 4.5 Rewards and Benefits and Employee Performance**

	Strongly agree		Agree		Neutral		Disagree		Strongly Disagree	
	f	%	f	%	f	%	f	%	f	%
A competitive pay package will motivate me to perform better in my role.	40	76.9	10	19.2	2	3.8	0	0.0	0	0.0
Given enough time and opportunity for personal development will motivate me to perform better in my role.	35	67.3	13	25.0	3	5.8	1	1.9	0	0.0
Our bonus pay is objectively pegged on individual performance thus it encourages us to be more productive.	42	80.8	10	19.2	0	0.0	0	0.0	0	0.0
With the knowledge that outstanding performance leads to promotion, this motivates me to work hard to better performance.	40	76.9	12	23.1	0	0.0	0	0.0	0	0.0
Recognition for exemplary work performance motivates me to be more productivity	38	73.1	14	26.9	0	0.0	0	0.0	0	0.0

According to the findings presented in the table, 76.9% of the respondents strongly agreed and 19.2% agreed that a competitive pay package motivate them to perform better in their roles. However, 3.8% of the respondents neither agreed nor disagreed to this. The table also shows that, given enough time and opportunity for personal development,

employees will be motivated to perform better in their roles. This is according to the response given where 67.3% of the respondents strongly agreed, 25% agreed, 5.8 neither agreed nor disagreed and 1.9% disagreed. Thus considering the number that agreed, majority of the respondents supported the aspect as a motivating factor to their performance.

Findings also show that 80.8% of the respondents strongly agreed and 19.2% agreed that with the bonus pay objectively pegged on individual performance, it encourages employees to be more productive. This reveals that there is a positive relationship between the bonus pay to employees and their performance. Employees work hard to be productive so as to achieve job promotions in their organizations. This is as all the respondents agreed that outstanding performance leads to promotion which motivates them to work hard for better performance. Findings as well shows that, 73.1% of the respondents strongly agreed and 26.9% agreed indicating that recognition for exemplary work performance motivates employees to be more productive.

In the organizations studied, findings indicated that the branch manager played a great role in determining the appraisal ratings of employees which determines their annual bonus pay. Through this exercise, the company evaluates whether those who are on contract will have their contracts renewed or not. The activity according to the response given leads to high turnover which overly affects the branch performance considering the time and money it takes to recruit, train and probate an employee before performance is achieved through them.

Provision of incentives to employees was found to be a top motivator of their performance as the results indicated. The banks were found to provide other incentives other than employees' salary that led to higher branch performance. Bonus pay is also pegged on individual performance which motivates employees to work extra hard for higher performance compared to their peers.

#### 4.8 Test of Association between Variables

**Table 4.6 Correlation between Work Environment and Employee performance**

		Employee Performance
Employee Performance	Pearson Correlation	1
	Sig. (2-tailed)	
Work place design	Pearson Correlation	.750*
	Sig. (2-tailed)	.020
Work force diversity	Pearson Correlation	.872*
	Sig. (2-tailed)	.004
Health and safety measures	Pearson Correlation	.833*
	Sig. (2-tailed)	.012
Benefits and rewards	Pearson Correlation	.741*
	Sig. (2-tailed)	.024

\*. Correlation is significant at the 0.05 level (2-tailed).

\*\*. Correlation is significant at the 0.01 level (2-tailed).

The table presents results of the association test between the study variables. The statistical tool used for the test is the Pearson correlation coefficient with test significance critical at 5% level with a 2-tailed test. Based on the correlation coefficients, the work place design had a correlation of 0.750 with a significant value of 0.020; Work force diversity had a correlation of 0.872 and a significance of 0.004. Health and safety

measures obtained a correlation of 0.833 with a significant value of 0.012 while the benefits and rewards had a correlation of 0.741 and a significant value of 0.024. The variables showed significant associations as all the p-values are less than 0.025 the critical value at 5% level in a 2-tailed test. Also, all the variables indicated a strong association as all had correlations above 0.7 based on the Pearson's correlation scale.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATIONS**

#### **5.1 Introduction**

The chapter gives a summary of the findings as discussed in chapter four above, conclusions made based on these findings as well as recommendations that the researcher gave for status improvement. It also gives suggestions for further areas of research.

#### **5.2 Summary of the Findings**

The study was undertaken to fill the knowledge gap by assessing the influence of work environment on employee performance in commercial banks. To execute this, the researcher conducted the study in the eight commercial banks in Machakos town. In these, 67.3% of the staffs who participated were staffs from the lower level of management comprising both the tellers and the sales representatives; 21.2% were departmental supervisors; 7.7% were operational managers and 3.8% were the branch managers. 42.3% of these staffs aged between the 31 to 35 years, 30.8% 26 -30 years, 21.2% were above 35 years and 5.8% were aged 22 – 25 years. They had high work experience in their banks as 44.2% were found to have 3 – 5 years of experience, 32.7% with 6 – 8 years and 17.3% with 9 years and above years of experience. 59.6% of the staffs studied were university graduates while 40.4% were staffs with college education as their highest level achieved revealing that the bank staffs had achieved high levels of education as none of the respondents had below college education.

Evaluating the effect of working environment on employee performance, the study found out that the workspace allocated to different departments of the banks impacts on the staffs' overall performance. Also, as the findings revealed, having comfortable seats in their offices is one of the factors that motivate and improve employee productivity. This is because employees are able to seat comfortably for long hours without straining thus enabling their work throughout the day. The study also found out that lighting system affects employee productivity especially when employees are required to be in the office for long hours. The office design also influences employee performance. Findings as well revealed that the provision of appropriate working tools to employees positively affects their performance.

On evaluating the nature of the working environment in the banks, the findings indicated that in all the banks studied, open office system is used. Also, in the office arrangement, workers are able to interact as they execute their duties. This enables the bank staffs to consult each other on different roles as it is more productive when employees seek assistance from the others so as to improve the quality of their services. The study also found out that the main parties actively involved in improving employee working environment in the banks are the management. Findings also show that the human resource department ensures that the working environment is conducive for better performance of employees. These findings support the conclusion of the study by James, (1996) that showed working as a team has significant impact on the satisfaction level of employees as it affects their performance.

Findings further revealed that, employees are quite articulate and they like working under freedom as otherwise their work will be demotivating leading to poor performance in their service delivery. It is also evident from the results that improving the working environment standards to favor employees, positively improves the rate of absenteeism especially through sick offs, and performance is inevitably improved. In the service industry, demotivated employees will not offer the best service as they will have poor performance offering poor customer service resulting to frequent customer complaints that affect their productivity leading to a poor performance of the organization.

The study findings indicated that having a positive work environment affected employees positively which results to high performance of individuals and branch at large. Open office system has a positive influence in the working for the banks as this facilitates interactive working environment for consultative purposes. Free interaction among employees brings about cohesion and good working atmosphere because no department in the branch network works alone. This kind of system was seen to be working in all the banks and managers believe that it's a better system that encourages performance because no one can hide behind their closed doors.

Findings further revealed that a competitive pay package motivated employees to perform better in their roles. Also, given enough time and opportunity for personal development, employees will be motivated to perform better in their roles. With the bonus pay pegged on individual performance, it encourages employees to be more productive. This reveals that there is a positive relationship between the provision of bonus pay to employees due to their productivity and the employee performance.

Employees work hard to be productive so as to achieve job promotions in their organizations. Findings as well illustrated that recognition for exemplary work performance motivates employees to be more productive. These findings were in line with the findings of the study done by (Jamil and Sarfaraz, 2011) that concluded that providing respectful compensation to the employees of an organization gives a soothing effect of both organization and employees performance.

The study found out that it was a duty of the branch manager to evaluate the appraisal ratings of employees which determines their annual bonus pay. The exercise is also used by the management to evaluate the employees' contract and determination on who to renew their contracts. This in turn leads to high turnover which overly affects the branch performance considering the time and money it takes to recruit, train and probate an employee before performance is achieved through them. Also, findings indicated that through provision of incentives, employees are motivated to do their work resulting to greater performance of the branches. Giving bonuses to the employees based on their performance also affect their productivity as this motivates them to work extra hard for higher performance compared to their peers.

The study findings illustrated that giving an employee an opportunity to learn improves their morale and subsequent performance. Also, involving employees in decision making gives them a feeling of belongingness that positively affects their productivity. The distribution of work according to employees' skills and capabilities as well influence their performance. It is also evident from the findings that a fair selection and recruitment exercise for internal promotions will increase competition and thus improved productivity



among employees. Recruitment of bank employees does not necessarily consider only the professional bankers to be recruited as bank employees. This is because these institutions require individuals with different education backgrounds, different ethnic groups, diverse experiences and skills that facilitate their diversification in service delivery. These activities leads to high performance as employees are given an opportunity to set their personal targets from the main business objectives.

Findings on health and safety policy and its influence on employee performance indicated that occupational health and safety policy in an organization has a positive impact on employee job performance. This therefore shows that with occupational health and safety policy, employees are motivated and are able to perform better in their roles. Employees feel secure when their employer takes caution to prevent occupational health hazards. A competitive medical scheme will motivate employees to remain with the organization they work for and perform better. Findings as well showed that with a well secured organization with various controls like CCTV cameras, guards and alarms, employees feel secure making them to be more productive in their job. With controlled noise and temperature in the workplace, employees are able to concentrate on their job leading to their better performance. These findings as well supported the argument of Amstrong (2006), that the achievement of the highest standards of health and safety in the workplace is important because the elimination or minimization of the hazards and the risks is a moral as well as legal responsibility of employers.

### **5.3 Conclusions**

The researcher, based on the research findings concludes that;

There is a positive relationship between conducive workplace design that is suitable for employee's work and the level of employee performance. Creating favorable climate in the work place leads to improved performance of employees and consequently increased organizational productivity and success. With a conducive working environment, employees are motivated in their work, they are flexible in their work and are able to consult one another in their duties. This facilitates improved productivity in their work affecting the profitability of the organization.

Diversification plays a vital role in organizational operations. This is because, with diversified skills in the organization, different tasks will be undertaken and problems solved easily through consultation between staffs. Having employees experienced in different fields will facilitate integration of skills in service delivery/production which leads to high quality services/products in an organization. Employees as well will be motivated to undertake duties in their areas of specialization where they are conversant with operations and technical issues of operations. This makes them more productive as they enjoy taking their responsibilities and addressing issues skillfully to their perfection.

Having a good policy on health and safety in an organization greatly influences the level of employee performance. Employees, while in a secure environment will tend to work in a freedom manner that will motivate them in delivering in their roles. In the financial sector, there is always a danger of robbery which might leave some personnel on duty with injuries or even killings. Having a security system to monitor this ensures security to the employees motivating their productivity.

There is a positive relationship between an organization's strategy of provision of rewards and other benefits to employees for their performance and the level of their productivity. Giving of rewards to the best performing employees motivates them to increase their performance as well as encouraging the other employees to enter into a competitive performance for them to be rewarded too. Appreciation of the work done and provision of performance benefits affects employee satisfaction level thereby promoting their morale in their work.

#### **5.4 Recommendations**

As the findings of the study indicated, the more motivated employees are, the more smoothly the business will operate, so it is necessary for an organization to look into ways that can motivate employees. Therefore the researcher makes recommendations on what should be done to ensure productive employees as follows:

Many managers make the mistake of thinking that money or prizes is the only way to make employees work harder which is not the case as shown in the study. Intrinsic motivation in employees can be a very effective way to bring the firm together. To ensure productivity of employees, the management should look for ways that the firm can motivate each individual employee to do their best.

To ensure that employees are motivated for better performance, organizations should give regular, accurate performance reviews. An employee deserves to know how he is doing, including the things that he excels at and the places where he is falling short. Managers

should give performance reviews at least once a year so as to encourage employees to work hard for better performance.

Firms should also facilitate working procedures for employees through provision of working tools. To do this, the management needs to ask what employees need to do their job better. In some cases, an employee could be more productive if they had a certain piece of software or even a more comfortable chair. These things may cost the organization a small amount, but can bring much bigger returns.

Organizational management also need to open up the lines of communication with employees. Employees should feel free to talk to their bosses about concerns or what might be holding them back. This makes them feel comfortable enough to talk to their senior in person, for matters concerning their well being as well as their productivity. However, a good communication would be through a suggestion box to allow employees to make anonymous suggestions as well.

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## **APPENDICES**

### **APPENDIX 1: Questionnaire**

*Questionnaires collected from respondents will be treated with utmost confidentiality. This study is a requirement for the partial fulfillment of Masters of Business Administration program at the South Eastern Kenya University. The purpose of this study is to investigate and determine the influence of work environment on bank employees' performance.*

### **PART I: GENERAL INFORMATION**

**Kindly answer all the questions either by ticking in the boxes or writing in the spaces provided.**

1. Category: Branch manager ☐ Operations manager ☐ Departmental Supervisor ☐  
Teller ☐ Sales representative ☐ Other (please specify) \_\_\_\_\_
2. Your gender: Female ☐ Male ☐
3. Age 20-25 years ☐ 26-30 years ☐ 31-35 years ☐ 36 years and over ☐
4. How long have you worked for this organization?
  - a) Less than 2 years ☐
  - b) 3-5 years ☐
  - c) 6-8 years ☐

d) 9 years and above ☐

5. Educational level: Primary ( ) Secondary ( ) College ( ) University ( )

If you ticked university above, specify the level.....

.....

## **PART II: THE INFLUENCE OF WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE.**

### **Influence of Workplace design on employee performance**

	<b>Please tick the most appropriate choice</b>	Strongly agree	agree	Neutral	Disagree	Strongly disagree
1	The workspace allocated to my department impacts on our overall performance.					
2	Comfortable seats is one of the factor improves my productivity in that am able to seat for long hours without straining.					
3	Lighting system affects my productivity especially when I have to sit in the office for long hours.					
4	Our open office design impacts on our performance positively.					
5	Tools of work provided by my employer affect my performance.					

**Influence of Rewards and Benefits on employee performance**

	<b>Please tick the most appropriate choice.</b>	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	A competitive pay package will motivate me to perform better in my role.					
2	Given enough time and opportunity for personal development will motivate me to perform better in my role.					
3	Our bonus pay is objectively pegged on individual performance thus it encourages us to be more productive.					
4	With the knowledge that outstanding performance leads to promotion, this motivates me to work hard to better performance.					
5	Recognition for exemplary work performance motivates me to be more productivity					

**Influence of Workforce diversity on employee performance**

	<b>Please tick the most appropriate choice</b>	Strongly agree	agree	Neutral	Disagree	Strongly disagree
1	Every employee is given an opportunity to learn which improves our morale and subsequent performance.					
2	Being involved in decision making in my department is a tool that positively affects my productivity.					
3	Distribution of work according to ones skills and capabilities will affect our performance.					
4	Fair selection and recruitment exercise for internal promotions will increases competition and thus improved productivity.					

### Health and safety versus employee performance

	<b>Please tick the most appropriate choice</b>	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	The Occupational health and safety policy in my organization has a positive impact on my job performance.					
2	My organization takes caution to prevent occupational health hazards thus I feel secure while working which affects my performance.					
3	A competitive medical scheme will motivate me to remain with the organization am working for and perform better.					
4	My organization is well secured with various controls e.g CCTV cameras, guards, alarms etc. thus I feel quite secure while undertaking my duties which to some extent affects my productivity.					
5	Controlled noise and temperature in my workplace will allow me to concentrate on my job and therefore better performance.					

## **APPENDIX II: Interview guide**

### **Instructions**

*This interview guide is designed to collect data that will help in better understanding the influence of work environment on employee performance in commercial banks based in Machakos town. The data provided by this interview guide will be treated in strict confidence.*

1. Kindly give a brief outline of your banks employee working environment.
2. Who are the main parties that are actively involved in improving employee working environment?
3. Does the improvement of work environment lead to less absenteeism and subsequent performance at work? Explain
- 4 .How does the employee appraisals and ratings influence employee performance at work.
5. Is there any relationship between work environment and employees morale as evidenced in their performance?
- 6.What is the relationship between improved work environment and employee productivity?
5. Briefly outline your organizations health and safety policy and explain its impact on employee performance.

6. What is the influence of rewards and benefits on employee performance?
7. What is the relationship between work force diversity and employee performance in your branch?
8. Does work place design influence employee performance? Give a brief explanation.



### **APPENDIX III: List of commercial banks operating Kenya**

1 African Banking Corporation, Nairobi
2 Bank of Africa Kenya, Nairobi
3 Bank of Baroda, Nairobi
4 Bank of India, Nairobi (foreign owned)
5 Barclays Bank of Kenya, Nairobi (listed on NSE)
6 CFC Stanbic Bank, Nairobi (listed on NSE)
7 Chase Bank Ltd, Nairobi
8 Citibank, Nairobi (foreign owned)
9 City Finance Bank, Nairobi
10 Co-operative Bank of Kenya, Nairobi (listed on NSE)
11 Commercial Bank of Africa, Nairobi
12 Consolidated Bank of Kenya Ltd, Nairobi
13 Credit Bank Ltd, Nairobi
14 Development Bank of Kenya, Nairobi
15 Diamond Trust Bank, Nairobi (listed on NSE)
16 Dubai Bank Kenya Ltd, Nairobi
17 Equatorial Commercial Bank Ltd, Nairobi
18 Equity Bank, Nairobi (listed on NSE)
19 Family Bank, Nairobi
20 Fidelity (Commercial) Bank Ltd, Nairobi
21 Fina Bank Ltd, Nairobi
22 First Community Bank Ltd, Nairobi
23 Giro Commercial Bank Ltd, Nairobi
24 Guardian Bank, Nairobi
25 Gulf African Bank Ltd, Nairobi
26 Habib Bank A.G. Zurich, Nairobi (foreign owned)
27 Habib Bank Ltd, Nairobi (foreign owned)
28 Housing Finance Co. Ltd, Nairobi (gov) (listed on NSE)
29 Imperial Bank, Nairobi
30 I&M Bank Ltd (former Investment & Mortgages Bank Ltd), Nairobi
31 K-Rep Bank Ltd, Nairobi

32 Kenya Commercial Bank Ltd, Nairobi (gov) (listed on NSE)
33 Middle East Bank, Nairobi
34 National Bank of Kenya, Nairobi (gov) (listed on NSE)
35 National Industrial Credit Bank Ltd (NIC Bank), Nairobi (listed on NSE)
36 Oriental Commercial Bank Ltd, Nairobi
37 Paramount Universal Bank Ltd, Nairobi
38 Prime Bank Ltd, Nairobi
39 Southern Credit Banking Corp. Ltd, Nairobi
40 Standard Chartered Bank , Nairobi (listed on NSE)
41 Trans-National Bank Ltd, Nairobi
42 UBA Kenya Bank Ltd., Nairobi
43 Victoria Commercial Bank Ltd, Nairobi
44 Jamii Bora Bank

Source: CBK, (2013)